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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )

)  
BellSouth Petition for Forbearance from )  
Application of Section 272 of the )  
Communications Act of 1934, as Amended, )  
to Previously Authorized Services )

CC Docket No. 96-149

### COMMENTS

Sprint Communications Company, L.P., pursuant to the Public Notice released February 14, 1997 (DA 97-346), hereby respectfully submits its comments opposing the above-captioned petition for forbearance filed by BellSouth on February 7, 1997. As discussed below, BellSouth has failed to demonstrate that grant of its petition will not harm competition and is otherwise in the public interest.

#### I. BACKGROUND AND INTRODUCTION.

BellSouth states that it offers two forms of reverse directory assistance: a voice-based service provided in conjunction with traditional directory assistance, and an on-line database access capability offered in conjunction with its electronic white pages service (Petition, p. 2). It acknowledges that both forms must be considered information services, and that "under certain circumstances, either of these forms of reverse directory service may depend on an interLATA transport component provided by BellSouth" (*id.*, p. 3). BellSouth also acknowledges that Sec-

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tion 272(a)(2)(C) explicitly requires that BOCs provide interLATA information services through a separate affiliate.

In the instant petition, BellSouth requests that the Commission forbear from applying the Section 272 separate affiliate requirements to BellSouth's reverse directory and E911 services. BellSouth's petition, at least as it pertains to reverse directory service, should be denied for two reasons. First, BellSouth has failed to establish that its on-line reverse directory service was in fact "previously authorized," and thus it is not clear that BellSouth is allowed to provide such service without first obtaining Section 271 authorization from the Commission, much less to provide such service on an integrated basis. Second, even if both forms of its reverse directory service are assumed *arguendo* to be previously authorized, BellSouth has failed to demonstrate that its provision of such services on an integrated basis promotes competition and is consistent with the public interest.

## **II. BELLSOUTH'S ON-LINE REVERSE DIRECTORY SERVICE HAS NOT BEEN PREVIOUSLY AUTHORIZED.**

Despite BellSouth's protestations to the contrary, it does not appear that its on-line reverse directory service has been previously authorized. There are significant differences between BellSouth's traditional and on-line reverse directory services. For example, users of the traditional reverse directory service apparently have any interLATA calls carried to BellSouth's DA operator center by an IXC. In contrast, subscribers to the on-line home NPA DA option dial a local telephone number to reach

BellSouth's centralized database. If the BellSouth database is in a different LATA than the originating caller, the call is carried over interLATA transmission facilities provided by BellSouth.<sup>1</sup> Thus, unlike its traditional reverse directory service, interLATA calls to BellSouth's on-line, home NPA reverse directory service involve interLATA transport by BellSouth, not by the caller's presubscribed IXC.

In addition, users of the on-line service must subscribe to either regional (for BellSouth's entire service territory) or home NPA database service (Petition, p. 4). Users of the traditional reverse directory service do not have to subscribe to the service; they simply dial 411 or a 1+ number and ask the BellSouth operator for the name and address associated with a particular telephone number. Finally, while BellSouth began providing its traditional reverse directory service in 1989, it did not begin providing its on-line service until 1996.

Given these differences, it would appear that the MFJ waiver BellSouth received in 1989 to allow it provide traditional reverse directory service (BellSouth Petition, Attachment 1) does not apply to its on-line reverse directory service and thus its on-line service has not been previously authorized.<sup>2</sup> Therefore,

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<sup>1</sup> Subscribers to the on-line regional database service dial a 1+10 digit number to reach the database; this interLATA call is carried by the subscriber's presubscribed IXC.

<sup>2</sup> Section 271(f) provides an exception for activities previously authorized by the MFJ Court; it does not apply to CEI waivers, such as BellSouth obtained for its on-line reverse directory service, granted by the Commission.

BellSouth must first obtain Section 271 authorization to provide the on-line service. As the Commission has explained, interLATA information services fall within the definition of interLATA service, and thus "a BOC may not provide in-region interLATA information services until it obtains section 271 authorization."<sup>3</sup> Indeed, "regardless of whether [the Commission] interpret[s] 'interLATA service' to include interLATA information services, a BOC would be required to obtain section 271 authorization prior to providing, in-region, the interLATA telecommunications transmission component of an interLATA information service" (*id.*). Forbearance of the section 272 separate affiliate requirements certainly would not be warranted to the extent that a BOC must first obtain section 271 authority to provide the service at issue.

### III. FORBEARANCE OF SECTION 272 IS NOT JUSTIFIED.

Even if BellSouth's on-line service may be considered to have been previously authorized by the MFJ Court, forbearance of application of the Section 272 requirements for either form of reverse directory service is not warranted. The safeguards contained in Section 272 are critical to the development of local competition, and such safeguards must not be circumvented without a compelling and fully documented reason to the contrary. BellSouth has made no such showing and there is no reason why Con-

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<sup>3</sup> *Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, First Report and Order* released December 24, 1996 (FCC 96-489) ("CC 96-149 Order") (¶¶56-57).

gressional intent, as clearly stated in Section 272, should not be enforced. As discussed briefly below, allowing BellSouth to provide interLATA reverse directory service on a non-separated basis gives rise to possible harm to competing providers of reverse directory service, and to telecommunications service providers which access BellSouth's directory assistance database in order to provide local exchange service.

As competition develops in the local exchange market, it is likely that an increasing number of alternative directory service providers will offer reverse directory services.<sup>4</sup> Allowing BellSouth to combine its interLATA reverse directory service operations with its basic exchange service operations would put BellSouth in a position to dissuade end users from using the DA or reverse DA services offered by a BellSouth competitor.

Provision of reverse directory assistance and basic local exchange services on an integrated basis also may harm local exchange competition. Because the BOCs are obliged to provide nondiscriminatory access to directory listings and directory assistance to competing providers of telephone exchange service,<sup>5</sup> every reasonable effort must be made to ensure that the

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<sup>4</sup> BellSouth represented in its CEI Waiver proceeding that competing directory service providers already offer this service in BellSouth territory (*BellSouth Petition for Waiver of Computer III Rules for Reverse Search Capability*, 11 FCC Rcd 7997, 8006 (n. 58) (1996)).

<sup>5</sup> See *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98, *Second Report and Order and Memorandum Opinion and Order* released August 8, 1996, ¶143.

price of such access is not inflated by costs associated with the reverse directory services, and to ensure that BellSouth's on-line reverse directory service does not in any way degrade competitors' access to the BellSouth database. Allowing BellSouth to offer reverse directory services on a non-separated basis will make it more difficult to detect or prevent improper cost allocations and other discriminatory activity.

Indeed, under the terms of its MFJ waiver, BellSouth is supposed to "use the revenues generated by the customer name and address service solely to support their regulated operations..." (Waiver, p. 1). Whatever revenues are generated by these information services are therefor cross-subsidizing local service, making it more difficult for CLECs to compete in the provision of local exchange service. The Commission must consider whether such cross-subsidization is in the public interest.

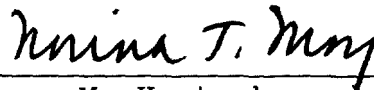
BellSouth offers no support for its assertion that "application of the Section 272 separation requirements may cause BellSouth to have to cease these existing service offerings" (Application, p. 6). The Commission has already found that a BOC may conduct all or some combination of its manufacturing activities, interLATA telecommunications services, and interLATA information services through a single separate affiliate (*CC 96-149 Order*, ¶61). Thus, it is not clear why application of the separate affiliate requirement in the instant case would present any undue administrative, financial or operational impediments to BellSouth. There would appear to be nothing to prevent the section 272 affiliate from obtaining the access to BellSouth's DA

database needed to provide reverse directory service, at the same rates, terms and conditions available to non-affiliated entities.

Finally, as BellSouth has noted, the Commission has concluded that "[p]reviously authorized interLATA information services...must come into compliance with the section 272 separate affiliate requirements within one year,"<sup>6</sup> and this interpretation was binding as of February 20, 1997 (Petition, p. 9). Insofar as Sprint is aware, the Commission has not granted BellSouth an interim forbearance order. Therefore, BellSouth may not offer any interLATA reverse directory services unless it complies with Section 272 or unless the Commission grants it authority to provide such service on a non-separated basis.

Respectfully submitted,

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March 6, 1997

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<sup>6</sup> CC 96-149 Order, ¶76.

## CERTIFICATE OF SERVICE

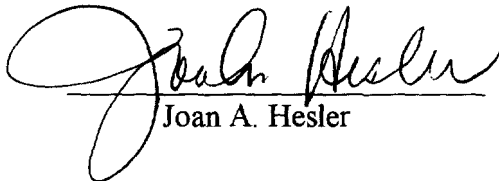
I hereby certify that a copy of the foregoing Comments of Sprint Communications was Hand Delivered or sent by United States first-class mail, postage prepaid, on this the 6th day of March, 1997 to the below-listed parties:

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